# CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BOARD OF ADMINISTRATION HEALTH BENEFITS COMMITTEE MEETING MINUTES

June 18, 2008

The Health Benefits Committee met on Wednesday, June 18, 2008, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:53 a.m. with the following members present:

Priya Mathur, Chair
Ruth Holton-Hodson representing John Chiang
Rob Feckner
Debbie Endsley representing David Gilb
Henry Jones
Tricia Wynne representing Bill Lockyer
Tony Oliveira
Anne Sheehan

Excused:

George Diehr, Vice Chair

### AGENDA ITEM 2 – APPROVAL OF MAY 14, 2008, HEALTH BENEFITS COMMITTEE MEETING MINUTES

The May 14, 2008, Health Benefits Committee meeting minutes were approved as presented.

# AGENDA ITEM 3A – AB 1203 (SALAS) – HEALTH CARE SERVICE PLANS: POST-STABILIZATION CARE

Danny Brown, Assistant Chief, Office of Governmental Affairs, presented information on AB 1203. This bill would protect CalPERS members from medical billing disputes between a non-contracting hospital and a CalPERS health plan for post-stabilization health care services.

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED**, the Committee recommended the Board adopt a support position on AB 1203 (Salas) – Health Care Service Plans: Post-Stabilization Care.

### AGENDA ITEM 3B – AB 2967 (LIEBER) – HEALTH CARE COST AND QUALITY TRANSPARENCY

Danny Brown, Assistant Chief, Office of Governmental Affairs, presented information on AB 2967 and staff's proposed amendment to clarify that CalPERS should not be considered a "data source." The committee created by this bill would collect healthcare information and develop a health care cost and quality transparency plan that will result in the transparent public reporting of safety, quality, and cost efficiency information at all levels of the health care system.

On **MOTION** by Rob Feckner, **SECONDED** and **CARRIED**, the Committee recommended the Board adopt a support, if amended, position on AB 2967 – Health Care Cost and Quality Transparency.

The following people spoke on this item:

Neal Johnson, SEIU Local 1000

Tom Moore, California Healthcare Coalition

# AGENDA ITEM 3C – SB 1300 (CORBETT) – HEALTH CARE PRICING AND QUALITY INFORMATION

Danny Brown, Assistant Chief, Office of Governmental Affairs, presented information on SB 1300 and staff's recommendation that it be amended to provide additional criteria for use in the development of health care cost and quality information and that this information be available to purchasers. This bill would prohibit health care providers and health care plans or insurers from entering into a contract, which limits or restricts the plan or insurer from disclosing information on the cost of procedures or health care quality information to its subscribers, enrollees, policyholders, or insureds on or after January 1, 2009.

On **MOTION** by Debbie Endsley, **SECONDED** and **CARRIED**, the Committee recommended the Board adopt a support, if amended, position on SB 1300 (Corbett) – Health Care Pricing and Quality Information.

# AGENDA ITEM 4A – APPROVAL OF 2009 HEALTH MAINTENANCE ORGANIZATION PLANS BENEFITS AND RATES

Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, presented the proposed Health Maintenance Organization Plans' benefits and rates for 2009 including staff's recommendation to extend the Blue Shield HMO contract for one year.

On **MOTION** by Tricia Wynne, **SECONDED** and **CARRIED**, the Committee recommended the Board: 1) approve staff's recommendation to extend the Blue Shield HMO contract for one year provided Blue Shield agrees to appropriate contract revisions satisfactory to staff; and, 2) approve the 2009 rates as set forth in Attachment 1.

# AGENDA ITEM 4B – APPROVAL OF 2009 ASSOCIATION PLANS BENEFITS AND RATES

Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, presented the proposed Association Plans' benefits and rates for 2009.

On **MOTION** by Debbie Endsley, **SECONDED** and **CARRIED**, the Committee recommended the Board approve staff's recommendation to approve the proposed 2009 rates for the California Association of Highway Patrolmen Health Benefits Trust, the California Correctional Peace Officers' Association Benefit Trust Fund, and the Peace Officers' Research Association of California Insurance and Benefits Trust as set forth in Attachment 2.

# AGENDA ITEM 4C – APPROVAL OF 2009 PREFERRED PROVIDER ORGANIZATION PLANS REGIONAL BENEFITS AND RATES

Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, presented the proposed Preferred Provider Organization Plans' regional benefits and rates for 2009.

On **MOTION** by Rob Feckner, **SECONDED** and **CARRIED**, the Committee recommended the Board approve staff's recommendation to approve the proposed 2009 regional rates for the Self-Funded Health Plans as set forth in Attachment 3.

#### AGENDA ITEM 5A – HEALTH AND DISEASE MANAGEMENT INITIATIVE

Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, presented recommendations from Mercer and staff regarding the Health and Disease Management Initiative. The goal of this initiative is to identify a strategy that will enable CalPERS to provide a best-in-class Health and Disease Management Program to CalPERS members.

On **MOTION** by Rob Feckner, **SECONDED** and **CARRIED**, the Committee recommended the Board approve staff's recommendation to approve the following components of the Health and Disease Management Initiative: 1) Implement comprehensive performance monitoring beginning in 2008; and, 2) Develop an action plan to expand program offerings to ensure consistency across all health plans in 2009.

Neal Johnson, SEIU Local 1000, spoke on this item.

#### AGENDA ITEM 5B - DESIGNATION OF 2009 RURAL SUBSIDY SERVICE AREAS

Sandra Felderstein, Chief, Office of Health Policy and Program Support, presented the preliminary list of ZIP codes eligible for the Rural Subsidy effective January 1, 2009. The Rural Health Care Equity Program, administered by DPA, provides reimbursement of specified health care expenses for State employees and annuitants who do not have access to an HMO.

On **MOTION** by Debbie Endsley, **SECONDED** and **CARRIED**, the Board approve staff's recommendation to approve forwarding the list of eligible ZIP codes set forth in Attachment 4 to the Department of Personnel Administration (DPA) for use in administering its Rural Health Care Equity Program and to grant staff the authority to notify DPA of changes to the Board-approved ZIP code list throughout the 2009 plan year.

The following people spoke on this item:

Harvey Robinson, RPEA Roger Marxsen Donna Snodgrass, California State Employees' Association Ray Snodgrass, CDF Firefighters

#### AGENDA ITEM 5C - STATE ANNUITANT CONTRIBUTION FORMULA

As an information item, Sandra Felderstein, Chief, Office of Health Policy and Program Support, provided the state annuitant contribution amounts based on proposed 2009 premium rates. The 2009 100/90 contribution amounts are \$478 (single), \$909 (two-party, and \$1167 (family).

#### AGENDA ITEM 5D - CALRHIO UPDATE

As an information item, Peter Mixon, General Counsel, CalPERS Legal Office, updated the Committee on the status of discussions between CalRHIO and CalPERS' health benefit plans relative to the execution of agreements between these entities for the providing of CalRHIO services to members.

#### AGENDA ITEM 12 – ASSISTANT EXECUTIVE OFFICER REPORT

Gregory Franklin, Assistant Executive Officer, noted a correction to the California Correctional Peace Officers' Association Benefit Trust Fund's proposed 2009 health benefit plan premium rates.

# AGENDA ITEM 13 – PROPOSED AGENDA FOR AUGUST 19, 2008, HEALTH BENEFITS COMMITTEE MEETING

The proposed August 19, 2008, Health Benefits Committee Meeting agenda was approved with the addition of an agenda item regarding the Health and Disease Management Initiative.

#### AGENDA ITEM 14 – PUBLIC COMMENT

There was no public comment

The next meeting of the Committee is scheduled for August 19, 2008, in Sacramento, California, following adjournment of the Benefits and Program Administration Committee.

Attachments	
	Kenneth W. Marzion Interim Chief Executive Officer